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NO. 84-1195

IN THE SUPREME COURT OF THE UNITED STATES

October Term, 1984

NESTIER CORPORATION,
Petitioner,

vs.

MENASHA CORPORATION
(Lewisystems Division),
Respondent.

On Petition for Writ of Certiorari
To the United States Court of Appeals
For the Federal Circuit

BRIEF FOR RESPONDENT MENASHA CORPORATION (Lewisystems Division)

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QUESTION PRESENTED

Whether petitioner was entitled to have the jury instructed on an abstract theory of patent infringement not raised by the evidence and not petitioner's theory at trial, under the holding in Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 339 U.S. 605 (1950) or merely because the jury was properly demanded and impanelled.

Menasha Corporation states pursuant to Rule 28.1 that it has no parent company and no subsidiary or affiliate whose stock is publicly traded.

TABLE OF CONTENTS

QUESTION PRESENTED i

TABLE OF CONTENTS ii

TABLE OF AUTHORITIES iii

STATEMENT OF THE CASE 1

SUMMARY OF ARGUMENT IN OPPOSITION TO THE PETITION 4

ARGUMENT

The District Court Correctly Refused To Instruct On A Theory of Liability Unsupported By Any Evidence And Affirmatively Rejected By Petitioner's Expert 7

CONCLUSION 22

TABLE OF AUTHORITIES
CASES

Decca Limited v. U.S.
420 F.2d 1010, 164 U.S.P.Q. 348 (Ct. Cl.) cert. denied, 400 U.S. 865 (1970) 17

General Motors Corp. v. Walden
406 F.2d 606 (10th Cir. 1969) 10

Graver Tank & Manufacturing Co. v. Linde Air Products Co.
339 U.S. 605, 70 S.Ct. 854, 94 L.Ed 1097 (1950) . . . . . i, 5, 7, 9, 16, 19

Hieger v. Ford Motor Co.
516 F.2d 1324, 186 U.S.P.Q. 374 (6th Cir. 1975) cert. denied, 423 U.S. 1056 (1976) 20

Hortman v. Henderson
434 F.2d 77 (7th Cir. 1970) . . 21

Jackson v. Southern Railway Company
317 F.2d 532 (5th Cir.) cert. denied, 375 U.S. 837 (1963) 10

Kent v. Smith
404 F.2d 241 (2nd Cir. 1968) 21

Paramount Film Distrib. Corp. v. Applebaum
217 F.2d 101 (5th Cir. 1954) 21

Roberts Dairy Co. v. United States
530 F.2d 1342, 182 U.S.P.Q. 218 (Trial Div., Ct. Cl. 1974), aff'd 198 U.S.P.Q. 383 (Ct. Cl. 1976) 11

Sears Roebuck & Co. v. Stiffel Co.
376 U.S. 225, 84 S.Ct. 784, 11 L.Ed.2d 661 (1965) . . 21

Shaw v. Lauritzen
428 F.2d 247 (3rd Cir. 1970) 21

SSIH Equipment S.C. v. United States International Trade Commission
718 F.2d 746, 218 U.S.P.Q. 689 (Fed. Cir. 1983) 19

OTHER AUTHORITIES

FRCP Rule 50 . . . . . .6, 18

STATEMENT OF THE CASE

Petitioner Nestier instituted this suit alleging ownership of U.S. Patent No. 3,463,345 and alleging infringement by respondent Menasha. The patent appears in Petitioner's Supplemental Appendix. Respondent denied that petitioner had title to the patent,[1] denied that it infringed the patent, and alleged that the patent was invalid.

The subject of the patent was reusable containers. The only independent claim calls for cover sections which are

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[1]At trial, petitioner did not present evidence of an assignment of the patent in suit to itself. Nonetheless, the trial court denied respondent's motion for a directed verdict on this issue and instead granted Nestier's motion for a directed verdict, holding that petitioner had proved "possession" and nothing more was required. The Court of Appeals did not address this issue.

inset below the tops of the side and end walls in order to permit the top portions of the side and end walls to act to prevent lateral movement of another container stacked on top of the cover sections in their closed position, to provide strength to the cover sections, and to provide restriction for the side and end walls to prevent bursting or inward crushing. The independent claim also calls for cover sections with inter-fitting raised and depressed areas along the free edge of the cover halves to enhance security and provide mutual support along the free edges when the cover halves were in a closed position. The Court of Appeals noted, "Menasha's boxes have neither inset covers nor a plurality of interdigitating teeth on each cover." (App. p. A2; 739 F.2d at

1578). As a consequence, respondent's construction lacks the strengthening and supporting functions but has an increase in enclosed volume of the container and can be readily strapped or banded to gain complete security.

Respondent contended there was no infringement because of the absence of the insert covers. Respondent also presented evidence of relevant prior art, including the Iacobitti patent number 1,847,834 granted March 1, 1932 which disclosed the overlapping construction of the cover halves as found on respondent's container. Respondent contended that petitioner's patent was invalid for obviousness or else had to be construed as requiring a plurality of interdigitating teeth on the free edge of each cover half in which event there would be no infringement.

The jury was instructed on literal infringement but not on infringement under the doctrine of equivalence, because there was no evidence to support it and equivalents was not petitioner's theory. The jury found no infringement, a finding petitioner did not challenge in the Court of Appeals. The Court of Appeals affirmed on the grounds that there was no evidence of infringement by the doctrine of equivalence and hence no error in not instructing the jury on the theory.

SUMMARY OF ARGUMENT IN OPPOSITION TO THE PETITION

Petitioner's attack of the Court of Appeals as somehow embarked upon a course designed to shred the fabric of patent law is not worthy of a reply.

Whatever trends petitioner discerns from the opinions of the Court of Appeals, this case does not present the appropriate circumstances to "check" and "rectify" the CAFC or to "realign" its trends as petitioner argues. (Petition at p. 6). The test of Graver Tank & Mfg. Co., Inc. v. Linde Air Products Co., 339 U.S. 605 (1950) for infringement under the doctrine of equivalence is not emasculated in the least. Petitioner misreads the decision below and ignores the record for which petitioner had responsibility in the first instance.

Nor has the Court of Appeals undermined the Seventh Amendment right to trial by jury with its decision below. This case was decided on its record in the District Court and on its record in

the Court of Appeals. Based upon the record the CAFC correctly followed well established principles. The presence of a jury may be a matter of Constitutional right with which respondent does not quibble. But never has the mere presence of a jury meant that the trial court must let the case go to the jury on all issues a party may demand, or even that the trial court must let the jury decide the case at all. Petitioner's statement of the question presented on this subject matter assumes otherwise. The rule petitioner wishes this Court to recognize would emasculate Rule 50 of the Federal Rules of Civil Procedure.

ARGUMENT

THE DISTRICT COURT CORRECTLY REFUSED TO INSTRUCT ON A THEORY OF LIABILITY UNSUPPORTED BY ANY EVIDENCE AND AFFIRMATIVELY REJECTED BY PETITIONER'S EXPERT

It is acknowledged that this Court in Graver Tank Co. v. Linde Air Products Co., 339 U.S. 605 (1950) held that infringement may be established where the accused device "'performs substantially the same function in substantially the same way to obtain the same result.'" Id. at 608, quoting Sanitary Refrigerator Co. v. Winters, 280 U.S. 30, 42 (1929). This is the test of the doctrine of equivalence. But Graver Tank does not hold that a jury is to be instructed regarding this doctrine of equivalence in every case. This Court recognized a distinction between literal infringement, a comparison of the words

of the claim "in literal detail" to the device or composition alleged to infringe, and infringement under the doctrine of equivalence. Id. at 607. Manifestly, petitioner recognizes a distinction as well. The analysis for the doctrine of equivalence clearly differs from that for literal infringement. For literal infringement, "[i]f accused matter falls clearly within the claim, infringement is made out and that is the end of it." Ibid. But if not, there will nonetheless be infringement if the accused device functions substantially the same by substantially the same means with substantially the same result. Accordingly, to make out a case for literal infringement, one need not address in the evidence functions, means, and results, although it would follow that if there is literal

infringement there is certainly duplication of functions, means and results. However, the reverse is not true; if there is no literal infringement, whether or not there is infringement nonetheless under the doctrine of equivalence depends upon evidence not of literal words but of functions, means, and results.

The Court of Appeals observed, "the theory of infringement through equivalence is not inherent, or necessarily included, in literal infringement theory when that alone is presented to a jury . . . ." Petitioner does not challenge this statement, but petitioner must assume the contrary because petitioner does not (and cannot) rely upon the evidence to demonstrate a basis for instructing the jury on the subject. Graver Tank provides petitioner with no

support for the assumption it makes, and Graver Tank does not direct that a jury must in every case be told about equivalence.

It is error to instruct a jury on a proposition of law for which there is no evidence. Jackson v. Southern Railway Company, 317 F.2d 532, 537 (5th Cir.) cert. denied, 375 U.S. 837 (1963). The trial court has a duty to instruct on plaintiff's theory of the case, but only if supported by competent proof, not mere conjecture and speculation. General Motors Corp. v. Walden, 406 F.2d 606, 609 (10th Cir. 1969). It is this well accepted rule which the Court of Appeals and the District Court followed. It is also well settled that the petitioner as the party claiming infringement had the burden of proving every element to it.

Roberts Dairy Co. v. United States, 530 F.2d 1342, 1357 (Ct. Cl. 1976).

The Court of Appeals scoured the trial record and found,

> Although evidence was presented here which -- had the context been established -- might have been related to equivalence of functions and results, there was an absence of any such evidence concerning equivalence of means.

(App. at p. A6; 739 F.2d at 1579-80. Emphasis added). Thus "there was no basis in the evidence such that the court was required to give the jury any such instruction [concerning infringement under the doctrine of equivalence]." (App. at p. A4; 739 F.2d at 1579). Petitioner has not argued to the contrary.

Indeed not only was there no evidence,[2] the evidence presented by petitioner was decidedly against equivalence. Petitioner's only questions on the subject were addressed to its own expert witness, which went as follows:

> Q. With respect to the matter of equivalence, do you have an opinion as to whether there is equivalence between the Menasha box and the structure claimed in the Bockenstette claims?

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[2]Petitioner presented evidence of commercial compatibility of respondent's container to its container -- a result of duplication of unclaimed dimensions so that one container could fit within or stack on top of the other container. Adhering to precedent, the Court of Appeals said that "equivalence must be established with respect to the claims of the patent, not (as was perhaps attempted here) for the commercial structures involved." (App. at p. A5; 739 F.2d 1579). Again petitioner does not take issue with this rule.

> [Objection asserted and overruled.]
>
> Mr. Beall [Nester's expert]: I would never get to the Doctrine of Equivalence because I - I think the claim describes the Menasha box so I would never consider equivalence but I - I don't think that was your - I would not then have an opinion because I don't think the Doctrine of Equivalence comes into play.
>
> Mr. Fagan (Nestier's attorney): All right. Thank you, Mr. Beall.

(App. at p. A6; 739 F.2d at 1580).[3] One might normally expect that if this was unexpected and unwanted, the party would attempt to rehabilitate the expert to get the desired opinion. But here, although there was opportunity, just the opposite occurred:

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[3] Obviously this testimony to the jury is stronger and more direct than petitioner's summarization at page 4 of the petition suggests.

Q. Mr. Beall, were you -

A. I have an example of the Doctrine of Equivalence that I just thought of sitting here if that would help any.

Q. I think that might be just past the subject of the question.

(App. at p. A7; 739 F.2d at 1580).

It would be unfair to petitioner's counsel to say this was a blunder. The fact is that petitioner tried this case by choice on but one theory -- literal infringement -- and nothing else.[4] Thus during the conference on jury instructions the trial judge asked if it was not a fact that

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[4]Perhaps petitioner thought it difficult to argue that not inset is the equivalent of inset. More likely, petitioner thought its case for wilfull infringement (and a big treble recovery) based on copying would be weakened.

Nestier's theory was literal infringement and that the equivalence instruction did not belong in the case, to which counsel replied:

> Mr. Fagan: I can't dispute that. It is not our theory. We have from the very beginning advocated direct literal infringement.

(App. p. A7; 739 F.2d at 1580).

In reality petitioner has put before the jury, after endless evidence of commercial compatibility of two devices, its one and only expert, and said: "Ladies and gentlemen, here is our expert. He is the best. He knows of what he speaks. He is here to help you. We want you to know he is right. We want you to believe him. Take his opinion and make it your verdict." Petitioner was in this position, not because of the ruling

of the court, but because of its own strategy and its own expert's direct testimony. As a rule of evidence the petitioner could perhaps have offered another expert opinion contradicting the first, but here this did not occur. Nothing in the decision below mandates that patent plaintiffs must opt for literal infringement or doctrine of equivalence, or even that counsel must argue the doctrine in order to have it submitted to the jury.

Obviously, petitioner is compelled to argue only abstract law because the record provides utterly no support. But without the record to support the argument, petitioner's charges that the Supreme Court holding in Graver Tank is being emasculated and that the

Seventh Amendment right of trial by jury is being denied are ill-founded.

Petitioner argues that the Court of Appeals held here that the doctrine of equivalents need not be considered in jury trial, a rule petitioner contends is inconsistent with prior decisions. Citing Decca Limited v. United States, 420 F.2d 1010 (Ct. Cl. 1970), petitioner asserts that such decisions hold that in bench trials "the application of the Doctrine of Equivalence must in every case be made." (Petition at p. 12. See also Petition at p. 5). Petitioner misunderstands the case. Decca Limited is a decision of the trial court in a patent infringement action. The trial court observed that "[i]n determining the issue of patent

infringement, it is well settled law that in the first instance resort must be made to the language of the patent claim," and that "[w]here a patented and accused device are not identical, it is necessary to consider the structure, operation, and result obtained by each device." Id. at 1014. In this context, the trial court said "[t]he doctrine must be considered in every case in which the issue of patent infringement is involved." Ibid. This trial court decision does not say that the doctrine must be considered by the jury in every jury trial case, and no court has so held. Were this to be the rule, Rule 50 of the Federal Rules of Civil Procedure would be abolished in patent infringement cases. Appellate courts have remanded cases to the trial

court for "consideration" of the doctrine of equivalents in bench trials, but only because the trial court's decision finding literal infringement (and, as Graver Tank, supra, 339 U.S. at 607 instructs, "that is the end of it" so the trial court did not "consider" infringement under the doctrine) was reversed. See, e.g., SSIH Equipment S.C. v. United States International Trade Commission, 718 F.2d 746 (Fed. Cir. 1983). The point petitioner misses is that here the trial court did indeed "consider" the doctrine and determined that there was no basis in the evidence to submit the issue to the jury.

Petitioner's requested instruction was not only unwarranted by the evidence but it was also confusing,

one-sided, argumentative, and plainly incorrect. Petitioner would have the jury told that "substantial imitation" "would be to convert the protection of the patent grant into a hallow and useless thing;" and that to allow "substantial imitation" would "leave room for the unscrupulous copyist to make unimportant and insubstantial changes and substitutions;" and that "infringement exists here, regardless of modification, if the essence of the Bockenstette invention remains in the accused . . . containers." (App. pp. A23-A26). The jury could also be told that invalid patents must be eliminated because they are "a blight on the important public interest in the use of the ideas which are in reality part of the public domain" [Heiger v. Ford Motor,

516 F.2d 1324, 1327 (6th Cir. 1975), cert. denied, 423 U.S. 1056 (1976)]; and that "an unpatented article, like an article on which the patent has expired, is in the public domain and may be made and sold by whoever choses to do so" [Sears, Roebuck & Co. v. Stiffel Co., 376 U.S. 225, 231 (1965). Such slanted instructions, even though based upon language of court decisions including the Supreme Court, are not proper. Kent v. Smith, 404 F.2d 241, 244 (2nd Cir. 1968); Hortman v. Henderson, 434 F.2d 77, 79 (7th Cir. 1970); Paramount Film Distrib. Corp. v. Applebaum, 217 F.2d 101, 123 (5th Cir. 1954); Shaw v. Lauritzen, 428 F.2d 247, 250 (3rd Cir. 1970).

CONCLUSION

For the foregoing reasons, respondent urges that the Petition for Writ of Certiorari be denied.

Dated: February 18, 1985.

Respectfully submitted,

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